



**CITY OF HUNTINGTON BEACH  
PUBLIC WORKS COMMISSION  
REQUEST FOR ACTION**

Item No. 09-09

**SUBMITTED TO:** Chairman McGovern and Members of the Commission

**SUBMITTED BY:** Travis K. Hopkins, PE, Director of Public Works 

**DATE:** March 18, 2009

**SUBJECT:** Fair Share Traffic Impact Fee Program Annual Report for Fiscal Year 2007/08

**Statement of Issue:** In accordance with Section 17.65.130 of the Huntington Beach Municipal Code (HBMC), the Public Works Department is required to prepare an annual report of the status of the Fair Share Traffic Impact Fee Program for the City Council. The process also provides an opportunity for the Public Works Commission to review revenues and expenditures under the program.

**Funding Source:** No funding is required for the recommended action.

**Recommended Action:** Recommend approval of the 2007/08 Traffic Impact Fee Annual Report to the City Council.

**Alternative Action(s):** Recommend revisions to the report elements.

**Analysis:** The Fair Share Traffic Impact Fee program is intended to implement the goals and objectives of the General Plan by providing revenue to ensure that the adopted Level of Service standards for arterial roadways and signalized intersection are maintained when new development is constructed within the City limits. The following sections comprise the annual report.

**Fiscal Status**

This report presents the fund information based on the City's final audit for Fiscal Year 2007/08. During FY 2007/08, \$510,000 in Traffic Impact Fees was received and \$5,176,000 expended. The program also received interest income and other adjustments for a closing balance of \$2,255,000. Attachment 1 presents a more detailed accounting of the program balance over the past 5 years.

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## **2007/08 Funded Efforts**

As detailed in the Fiscal Status section, there was \$5,176,000 in expenditures in the Traffic Impact Fee program in 2007/08. The expenditures reflect actual payments/expenses rather than commitments for expenditures (executed contracts/awards, or budgeted capital projects). The following expenses were included:

- Garfield Widening project near Delaware (\$1,100,000)
- Heil Widening Project west of Beach Boulevard (\$2,800,000)
- Traffic Signal Improvements (\$83,000)
- Consultant Fees - Circulation Element Update and Signal Designs (\$84,000)
- Newland Widening (\$1,086,000)
- Atlanta Widening (\$18,000)

## **Planned Capital Projects, Studies and Expenditures**

The Public Works Department has prepared a 5-year Capital Improvement Program which includes projects funded by the Traffic Impact Fee Program. Some of these efforts were initiated in prior years and funds were not fully expended by October 2008. There have also been construction contracts awarded since the beginning of the current fiscal year that obligated Traffic Impact Fee funds. In total, these projects are expected to expend approximately \$3.1 million in Traffic Impact Fee funds. The following is a list of current capital improvement program projects funded all, or in part by the Traffic Impact Fee fund:

- Newland Street Widening – Channel to PCH (\$1 million TIF)
- Heil Widening west of Beach – (\$1 million TIF)
- Traffic Signal Projects – (\$900,000 TIF)
- Safe Route to School Projects – (\$144,000 TIF)
- Atlanta Widening – Huntington to Delaware – (\$80,000 TIF)

## **Planned Capital Project Reimbursements**

Three projects which have been shown as expenditures (previous and planned) under the Traffic Impact Fee program have partial funding of grants administered through the Orange County Transportation Authority (OCTA) or Caltrans. The actual costs against the Traffic Impact Fee program are not accurately reflected until full reimbursement for these grants has been received. They are then shown as additional revenues to the program. Grant fund portions of two projects have been expended prior to October 2008 and are expected to be reimbursed during FY 2008/09. They are:

- Garfield Widening near Delaware – (\$590,000)
- Heil Widening west of Beach Boulevard – (\$1,900,000)

The Newland Widening project, north of Pacific Coast Highway, is a Redevelopment Agency project as part of the Southeast Redevelopment Area. The funding of this project through the Traffic Impact Fee fund results in the redevelopment area incurring debt to the fund. Over time, the debt is to be paid back to the Traffic Impact Fee fund. However, a payment schedule has not been established, pending analysis of future revenue potential within the redevelopment area.

### **Projected Program Balance**

Assuming that full expenditures and reimbursements will be completed within the 2008/09 fiscal year, the Traffic Impact Fee fund balance is expected to be \$2 million. This includes an assumption of approximately \$250,000 in new fee payments and no reimbursements from the Southeast Area Redevelopment Area.

### **Conformance with Program Goals and Objectives**

The Traffic Impact Fee Program is intended to implement the goals, objectives and policies of the City of Huntington Beach General Plan, as stated in the Municipal Code Chapter 17.65 (Attachment 2). Completion of the planned projects implements improvements identified in the Circulation Element of the General Plan and is in conformance with the goals and objectives of the Fair Share Traffic Impact Fee program.

### **Attachments:**

1. Traffic Impact Fee Program Fiscal Activity Summary

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# ATTACHMENT #1

**ATTACHMENT 1**  
**Traffic Impact Fee Program Fiscal Activity Summary**  
**10/1/03 to 9/30/08**

| Activity                       | 10/1/2003 to<br>9/30/2004 | 10/1/2004 to<br>9/30/2005 | 10/1/2005 to<br>9/30/2006 | 10/1/2006 to<br>9/30/2007 | 10/1/2007 to 9/30/2008 |
|--------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|------------------------|
| Fund Balance Beginning of Year | 7,448,000                 | 7,612,000                 | 8,985,000                 | 7,480,000                 | 6,717,000              |
| Revenues                       |                           |                           |                           |                           |                        |
| Interest and Other             | 149,000                   | 201,000                   | 887,000                   | 422,000                   | 204,000                |
| Fees                           | 889,000                   | 1,706,000                 | 428,000                   | 460,000                   | 510,000                |
| Total Revenues                 | \$ 1,039,000              | \$ 1,907,000              | \$ 1,315,000              | \$ 882,000                | \$ 714,000             |
| Expenses                       | 875,000                   | 534,000                   | 2,820,000                 | 1,645,000                 | 5,176,000              |
| Difference                     | 164,000                   | 1,373,000                 | (1,505,000)               | (763,000)                 | (4,462,000)            |
| Fund Balance End of Year       | \$ 7,612,000              | \$ 8,985,000              | \$ 7,480,000              | \$ 6,717,000              | \$ 2,255,000           |

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